

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: DWD REALTY, INC.	DOCKET NO. WRU-99-26
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ORDER

(Issued September 22, 1999)

On July 12, 1999, DWD Realty, Inc. (DWD), filed with the Utilities Board (Board) a request for waiver of IOWA ADMIN. CODE 199-19.3(1)"b" and 20.3(1)"b" (1999). DWD specifically requested the Board allow it to master meter a building located in Carroll, Iowa, formerly known as the Family Health Clinic. On July 30, 1999, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed its answer and response. Consumer Advocate requested DWD provide additional information regarding the allocation of gas and electric costs. DWD filed its response on August 11, 1999. Consumer Advocate filed an objection on August 27, 1999, to the request for waiver. On September 1, 1999, DWD filed its response. DWD responded again on September 3, 1999. Consumer Advocate withdrew its objection on September 3, 1999.

The building, originally a medical office, currently has one electric and one gas meter. DWD stated it is converting the building into six apartments designated for the elderly. DWD asserted the utility costs would be included in each tenant's monthly rent. DWD contended it would be inefficient, uneconomical, and

duplicative to require it to individually meter the building when the utility costs are part of the rent. DWD stated it will not be reselling nor profiting from the utility cost. DWD maintained the utility costs are part of the operating costs and are not apportioned to individual tenants.

IOWA ADMIN. CODE 199-19.3(1)"b" sets forth the criteria for when a utility may master meter a multioccupancy premise. Paragraph "b" provides as follows:

All gas delivered to multioccupancy premises where units are separately rented or owned shall be sold by a utility on the basis of individual meter measurement for each unit except for that gas used in centralized heating, cooling, or water heating systems, where individual metering is impractical, where a facility is designated for elderly or handicapped persons and utility costs constitute part of the operating cost and are not apportioned to individual tenants, or where submetering or resale of service was permitted prior to 1966.

IOWA ADMIN. CODE 199-20-3(1)"b" is essentially identical substituting "electricity" for "gas."

Subparagraph "b" provides that the individual metering requirements do not apply where the facility is designated for elderly and utility costs constitute part of the operating cost and not apportioned to individual tenants. The building is designated for elderly and separate bills will not be issued because the utility costs are included in the rent. The Board finds under the described circumstances DWD qualifies for the exception to individual metering in IOWA CODE 199-19.3(1)"b" and 20.3(1)"b." Therefore, no waiver of the rules is necessary. However, DWD should be aware that if it were to apportion utility costs to each rental unit, issue

separate bills, or reprice utility services, it would no longer qualify to master meter the building.

IT IS THEREFORE ORDERED:

The request for waiver filed by DWD Realty, Inc., on July 12, 1999, is denied as unnecessary for the reasons set forth above.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr.
Executive Secretary

/s/ Diane Munns

Dated at Des Moines, Iowa, this 22nd day of September, 1999.